

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 21, 2007

In Reply Refer To:
Kinder Morgan Texas Pipeline, L.P.
Docket No. PR07-10-000

Van Ness Feldman, P.C.
1050 Thomas Jefferson St., N.W.
Washington, D.C. 20007

Attention: Paul Korman,
Attorney for Kinder Morgan Texas Pipeline, L.P.

Reference: Rate Election

Dear Mr. Korman:

1. On March 7, 2007, Kinder Morgan Texas Pipeline, L.P. (KMTP) filed, pursuant to section 311(a)(2) of the Natural Gas Policy Act (NGPA) and sections 284.123(b)(1)(i)(A) and 284.123(e) of the Commission's regulations,¹ an election to use the transportation component for city-gate service on file with the Railroad Commission of Texas (Railroad Commission) for transportation service rendered pursuant to Subpart C of Part 284 of the Commission's regulations and section 311(a)(2) of the NGPA. Specifically, KMTP seeks to use a transportation rate of \$0.24 per MMBtu for its transportation services. The Commission finds that the proposed transportation rate of \$0.24 per MMBtu is fair and equitable. Consequently, the Commission accepts KMTP's rate election, subject to the condition that KMTP file a revised Statement of Operating Conditions, as required by section 284.123(e) of the Commission's regulations, to reflect KMTP's current name.²

¹ 18 C.F.R. §§ 284.123(b)(1)(i)(A) and 284.123(e) (2006).

² KMTP's former name is MidCon Texas Pipeline Operator, Inc. d/b/a MidCon Texas Pipeline Corp. (MidCon). *See* KMTP's Response No. 1 to the Commission's Data Request of April 6, 2007 filed April 20, 2007 in Docket No. PR07-10-000. *See also* MidCon's Statement of General Terms and Standard Operating Conditions filed May 28, 1997.

2. KMTP is an intrastate pipeline company operating approximately 2,900 miles of pipelines, gathering lines, sales laterals, and related facilities ranging in size from 4 to 30 inches in diameter, located in Texas. KMTP's principal customers include the electric and natural gas utilities in the Austin, Houston, and Beaumont/Port Arthur areas and industrial customers located along the Houston Ship Channel and in the Beaumont/Port Arthur area. KMTP has interconnects with approximately 26 other intrastate and interstate pipelines, including an interconnection at the United States-Mexico border. KMTP provides natural gas purchase, sales, gathering, transportation, storage, processing and treating services.

3. On July 17, 2006, KMTP filed an application with the Railroad Commission requesting a review of the \$0.24 per MMBtu cost-of-service component of one of its firm sales rate schedules for city-gate service on file with the Railroad Commission.³ By order issued February 23, 2007, the Railroad Commission found that KMTP's proposed rate of \$0.24 per MMBtu is fair and equitable and not in excess of a cost-based rate.

4. Public notice of KMTP's filing was issued on March 19, 2007. Interventions and protests were due as provided in section 154.210 of the Commission's regulations, 18 C.F.R. § 154.210 (2006). Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2006), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. No protests were filed.

5. On or before March 7, 2010, KMTP shall file a rate petition, pursuant to section 284.123(b) of the Commission's regulations, to justify its current rates or to establish new rates. This letter order does not relieve KMTP of its obligation to file the required reports under Part 284 of the Commission's regulations.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

³ KMTP filed testimony and exhibits with the Railroad Commission in Gas Utilities Docket No. 9688. All of these documents were filed with the Commission and incorporated into the record in the instant Docket No. PR07-10-000 on April 20, 2007, in response to a staff data request issued April 6, 2007.